

REMARKS

The art rejections are respectfully traversed.

Since the references are complex, Applicants will confine their remarks to those portions of the references cited by the Examiner, except as otherwise indicated. Applicants make no representation as to the contents of other portions of the references.

Any of the Examiner's rejections and/or points of argument that are not addressed below would appear to be moot in view of the following. Nevertheless, Applicants reserve the right to respond to those rejections and arguments and to advance additional arguments at a later date. No arguments are waived and none of the Examiner's statements are conceded.

Claim 20 recites, *inter alia*, that at least one of the various components is responsive to the controller to operate in one of a plurality of modes each having a given complexity characteristic for an acceptable distortion level of an output.

Against this recitation, the Examiner cites Chau¹. Applicants have reviewed the cited sections of Chau but are not finding what the Examiner purports to find there. What Applicants are seeing is that the various components have a single mode as far as distortion level of the output is concerned; but that they may need varying amounts of processing resources depending on the complexity of the macroblocks, in other words, depending on the complexity of the input.

It also appears that Chau teaches away from the use of an inverse quantizer, recited by Applicants. Chau shows an inverse quantizer as prior art in Fig. 2, but then does not show it in Fig. 5. Accordingly, Applicants do not see how one of ordinary skill in the art would be

¹ The Examiner calls this reference "Chan," but this appears to be an error. Applicant's copy calls the reference "Chau."

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motivated to combine another reference, such as Panusopone to add the inverse quantizer that Chau teaches to eliminate.

The recitations of independent claim 32 appear to be analogous with respect to the arguments offered above for claim 20.

With respect to the scalable limitations of certain dependent claims, the Examiner cites Column 7, lines 11-31 of Chau. Applicants have read this section of the reference and do not see the word scalable there at all. What Applicants see is a loop dealing with motion compensation information. Why does the Examiner think this has something to do with scalability?

With respect to claims 30, 31, and 40, "memory ... [for] complexity-distortion characteristics" the Examiner cites Chau at col. 5, lines 15-19. Applicants have reviewed this section of the reference and find only that it recites a memory for an operating program. Applicants see nothing here about complexity/distortion characteristics. Clarification is accordingly requested.

For the reasons given above Applicants respectfully submit that the Examiner has failed to make a *prima facie* case against the claims.

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Applicants respectfully submit that they have addressed each issue raised by the Examiner — except for any that were skipped as moot — and that the application is accordingly in condition for allowance. Allowance is therefore respectfully requested.

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Respectfully submitted,

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